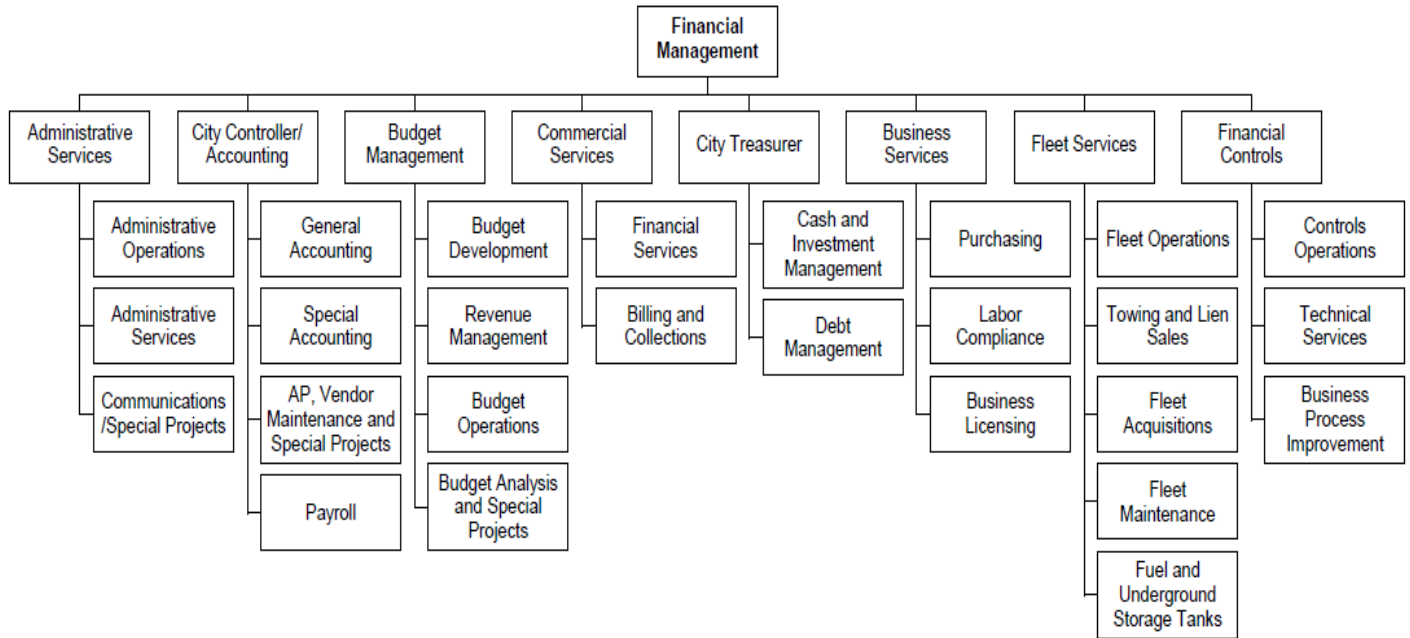


Financial Management



John Gross, Director of Financial Management

Grace Yoon, Interim Manager, Budget Management Bureau

Stephen Hannah, City Controller

David Nakamoto, City Treasurer

Amanda Hall, Manager, Commercial Services Bureau

Sandy Tsang-Palmer, Manager, Business Services Bureau

Dan Berlenbach, Manager, Fleet Services Bureau

Elizabeth Haynes, Manager, Financial Controls Bureau

Department Overview

Mission:

To help maintain a financially strong City and to provide state-of-the-art fleet and towing systems, and excellent service to external and internal customers, city management, and elected officials.

Core Services:

- Accounting, Financial Reporting, and Controls
 - Accounting and financial reporting
 - Payroll management
 - Accounts payable
 - Financial controls operations and user support for financial/ERP systems
- Financial and Budget Planning and Management
 - Budget analysis, development and management
 - CFO functions and administrative support
- Billing and Collections
 - Billing and collections services
- Cash and Debt Management
 - Central cashiering
 - Debt management
 - Cash and investment management
- Procurement Management
 - Procurement services
 - Labor compliance
- Business Licensing Management
 - Business licensing and tax collection
 - Cannabis licensing and enforcement
- Fleet Management
 - Fleet operations and acquisitions
 - Towing and lien sales

FY 19 Focus:

The Financial Management Department's primary focus will be:

- ERP (LB COAST) implementation and stabilization, which includes:
 - Development of LB COAST processes and procedures
 - System configuration, user security, workflow and controls
 - System training and testing
 - Development and distribution of updated policies and procedures, business processes, and user roles and workflows.
- Continued support for several recently passed ballot measures (Measures A, MA and MM)

The Department will continue to focus on finding solutions to the City's financial needs, both immediate and long-term, and will continue to look for cost savings and efficiencies.

Department Performance Measures

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Purchasing - Percentage of dollars spent with Long Beach businesses	31%	30%	30%	32%

The City of Long Beach, through its Purchasing Division, conducts various outreach activities to local businesses to increase their participation in City procurements. These efforts include weekly updates to 24 local, minority and women-owned business groups to communicate open bid opportunities, assisting businesses to register on the City's electronic bidder's database to download bid specifications, and attending local trade shows and industry fairs. The FY 19 projection reflects the Division's commitment to continue to strengthen outreach to local businesses in order to continue to grow their participation and success in our procurements. Dollars spent with Long Beach businesses also include support to DLBA, convention and visitor's bureau, the convention center, Queen Mary, etc.

Key Measures	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Fleet Services – Percentage of preventive maintenance services for City vehicles completed on-time	New Measure	70%	70%	75%
Fleet Services – Average response time for light duty vehicle tows	20.3 minutes	20 minutes	22.2 minutes	20 minutes
Fleet Services - Percentage of alternative fueled vehicles in the Fleet	39.4%	41%	41%	43%

The Fleet Services Bureau strives to perform services consistent with industry standards and best practices. On-time Preventive Maintenance is vital to keep the City's fleet safe and economical to operate and is a new measure for Fleet Services in FY 17 that depends on interdepartmental cooperation as well as Fleet's efforts. Average towing response time is also a new measure that tracks staff's service in support of towing requests. Finally, as part of the City's effort to improve air quality and reduce emissions, older vehicles are replaced with cleaner, alternative fuel units whenever feasible. As new alternative fuel vehicles are available on the market, the percentage in the fleet is projected to keep rising.

Key Measure	FY 17 Actual	FY 18 Target	FY 18 Estimate	FY 19 Projection
Commercial Services - Percentage of ambulance fees collected within the first eighteen months	56%	55%	55%	55%

In FY 17, the Commercial Services Bureau collected an average of 56 percent of Advanced Life Support (ALS) and Basic Life Support (BLS) ambulance transport fees and non-transport fees within the first eighteen months from dates of service in early 2015 and early 2016. Collection rates for ambulance bills are relatively low throughout the industry; however, the rate has improved since collections were brought in-house. While the majority of the revenue is collected within the first eighteen months after date of ambulance service, unpaid accounts continue to be pursued for up to three years and as many as ten years with a small claims judgment. The City's final collection rate continues to significantly improve through activities including filing small claims court actions, intercepting state income tax refunds, and credit reporting by the collection agency. The City's collection rate is comparable to other agencies that have similar demographics and it is based on the type of insurance coverage from its patients.

FY 18 Accomplishments

Controller's Office / Accounting Bureau

- Completed FY 17 Comprehensive Annual Financial Report (CAFR), dated March 26, 2018, with an unmodified opinion.
- Received the Government Finance Officers' Association's Certificate of Achievement for Excellence in Financial Reporting for the City's FY 16 Comprehensive Annual Financial Report (CAFR).

Budget Management Bureau

- Delivered a structurally balanced General Fund proposed budget for the twelfth consecutive year, in an effort to achieve fiscal sustainability for the City.
- Enhanced citizen engagement of the City's budget through the use of a budget priority survey and community budget presentations.
- Provided financial analysis to support labor negotiations with all unions, water and gas litigation and settlement discussions and various nexus studies.
- Provided financial analysis and support for the Budget Oversight, Economic Development and Finance and Transaction & Use Tax Citizens' Advisory Committees.
- Provided significant staff and program support for various components of the LBCOAST development and implementation process.

Commercial Services Bureau

- Utilized the State Franchise Tax Board Intercept Program to recover unpaid utility bills, ambulance transport charges, parking citations, business license fees, and other bad debts.
- Expanded the RescueNet system to perform internal ambulance collection activities and interface with the City's third-party collection agency.
- In conjunction with the Fire Department and Technology and Innovation Department, implemented an Electronic Patient Care Reporting (ePCR) System to replace the current manual paper process and expedite claims processing and cost recovery.

Treasury Management Bureau

- Issued \$27.9 million in Tidelands bonds to fund \$10 million supporting the Aquarium of the Pacific's Pacific Visions project, and \$17.4 million for various improvements to the Queen Mary.
- Issued \$170.3 million in Harbor bonds for portions of capital projects including the Middle Harbor Terminal Redevelopment Project, Pier G, dredging projects, rail projects, and the Harbor Department's new Administration Building.

Business Services Bureau

- Increased businesses registered in the City's Online Bidder's database, PlanetBids, to 21,185 registered businesses, an 8.41 percent increase from the previous year.
- Upgraded the City's bid management system to incorporate a more accurate and specific categorization of registered businesses and needed goods and services to support better matching of businesses to City procurements.
- As of June 2018, issued 2,083 new Business Licenses, 4 new Entertainment Permits, 1164 One-Time Permits (Special Event Vendors, temporary sales, and garage sales), and 477 Alarm Permits.
- As of June 2018, 12 Medical Cannabis Licenses have been issued, which include 9 dispensaries, 1 manufacturer, 1 lab testing facility, and 1 cultivation facility.
- Continued the implementation of the Small Business Enterprise Program. As of May 2018, there are 5,138 Certified Small Business Enterprises, which is an increase of 453, or 8.8 percent, from FY 17.
- Administered tracking of 43 additional projects within the City's newly implemented Labor Compliance software, which tracks documents that contractors are required to submit in order to comply with various federal, state and local regulations.

FY 18 Accomplishments

Fleet Services Bureau

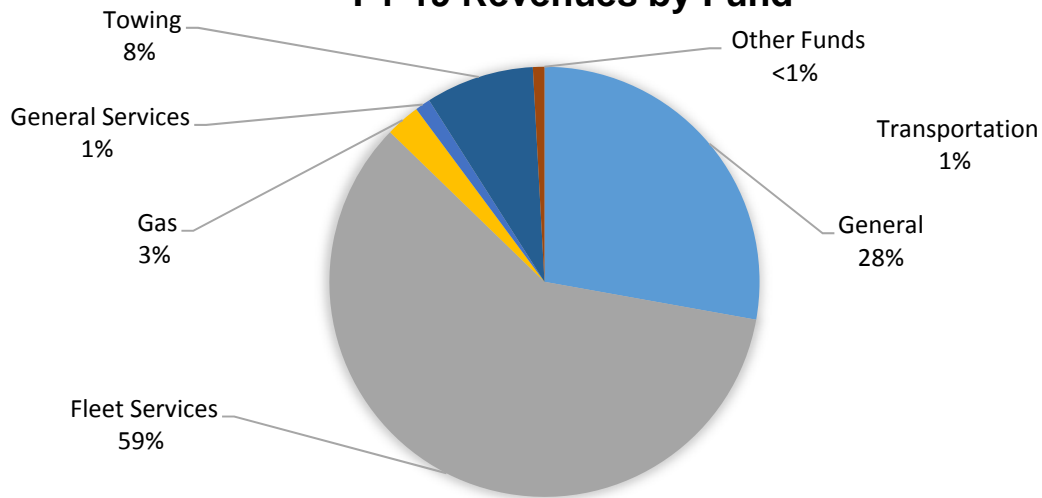
- Government Fleet magazine announced that the City of Long Beach Fleet Services has been recognized as #6 in the nationwide Leading Fleets awards program for 2017.
- The City of Long Beach was recognized in Heavy Duty Trucking's 2017 Top 25 Green Fleets award for leading the industry in the adoption of green, sustainable practices, policies, and technologies
- Completed installation of a new fuel dispensing system with RFID-based technology that improves accuracy, strengthens control over fuel, and reduces labor. Most vehicles in the City's fleet are equipped with telematics devices that wirelessly provide fuel, maintenance, location, safety, and efficiency data to the fleet database.
- Recertified by the National Institute for Automotive Service Excellence (ASE) as a certified Blue Seal Repair Shop.
- In October 2017, Fleet Services became an accredited NAFA Sustainable Fleet with a top-tier ranking, Tier 4.
- Fleet Services received the City Manager's Civic Innovation Award for sustainability and alternative fuel efforts.
- Fleet Services created an interdepartmental Battery Electric Vehicle task force to guide the electrification of all possible City vehicles.
- Fleet Services certified as a Ford Motor Company warranty repair center providing quicker vehicle repair turnaround times and reduced costs to customers.
- Increased alternative fuel vehicle purchasing to 54 percent fleet-wide.
- Upgraded refuse, street sweeping, and towing operations to cleaner burning CNG-powered trucks and sweepers, reducing fuel costs and the City's carbon footprint.
- Fleet Services hosted a Citywide Electric Vehicle Showcase event to promote the use of Electric Vehicles in the City's fleet.
- Rehabilitated a records storage room and created a sophisticated in-house training facility to maintain staff technician proficiency.

Financial Controls Bureau

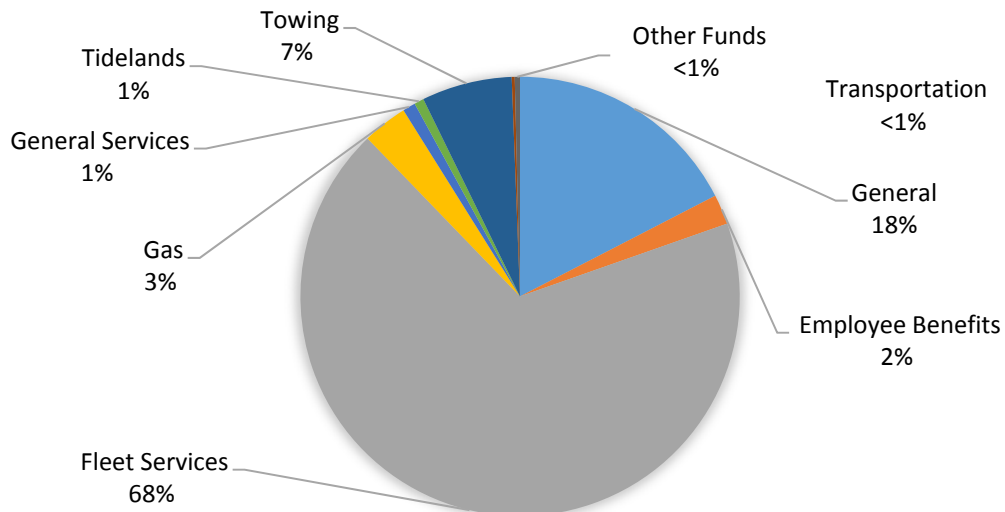
- Providing continued significant support for the LB COAST project including project planning and oversight, chart of account and project ledger development, financial business process analysis and redesign, configuration analysis, conversion analysis and support, interface review, requirements traceability and structured environment testing, user security, data access and workflow redesign, reporting analysis, design and testing, and change management assistance.
- Provided on-going system administration, help desk, customer support, and user training for over 400 financial systems users.

FY 19 Budget

FY 19 Revenues by Fund



FY 19 Expenditures by Fund



Fund Impact

Fund	Revenues	Expenditures	Fund Impact
General	21,197,780	15,790,103	5,407,678
Employee Benefits	-	1,997,955	(1,997,955)
Fleet Services	45,297,411	61,762,886	(16,465,475)
Gas	1,974,890	3,010,105	(1,035,215)
General Services	878,994	854,070	24,924
Tideland	-	643,939	(643,939)
Towing	6,210,000	6,021,226	188,774
Transportation	653,500	200,000	453,500
Other Funds	-	353,583	(353,583)
Total	76,212,576	90,633,866	(14,421,290)

Summary of Changes*

GENERAL FUND	Impact	Positions
Reallocate the funding for staff assigned to the implementation of LB COAST to the LB COAST project budget in the General Services Fund, including half of the Financial Controls Bureau Manager, a Financial Management Analyst II, and the addition of a new Business Process Improvement Officer in the Financial Controls Bureau.	(379,915)	(1.00)
Add an Administrative Analyst III in the Labor Compliance Division and increase budget for consulting services to support a comprehensive labor compliance program that is in alignment with all regulations; off-set by direct charges to qualified capital projects.	-	1.00
Eliminate a Customer Service Representative, reduce the budget for contract auditors and armored car service costs associated with the Cannabis program as part of a citywide right-sizing of program expenses to adjust to the current pace of medical cannabis business openings.	(258,068)	(1.00)
Increase budget for staff resources to maintain the level of services and oversight of the executive office and to provide policy and management support.	85,696	-
Increase budget for Transient Occupancy Tax collection review, and oversight by \$20,000, offset by materials reduction in the Financial Controls Bureau.	-	-

EMPLOYEE BENEFITS FUND	Impact	Positions
Add new classification of Payroll Officer to the Accounting Bureau, partially offset by reallocating funding for a Payroll Specialist II to the LB COAST project.	56,889	1.00
Increase budget for staff resources to maintain the level of services and oversight of the executive office and to provide policy and management support.	64,272	-

FLEET FUND	Impact	Positions
Increase budget for consulting costs to ensure oversight of underground fuel storage tank sites.	135,600	-
Increase budget for guard shack attendant and camera system upgrades for Fleet and Towing facilities.	35,000	-
Increase budget for third party equipment rental services of heavy equipment for City departments.	400,000	-
Increase budget to align more closely with actual costs for equipment upfitting parts and supplies and other operational alignments.	789,440	-

Summary of Changes*

FLEET FUND (CONTINUED)	Impact	Positions
Increase budget to align more closely with actual costs for Fleet operations, including maintenance costs, staff training, supplies and parts, and facility operating costs.	119,711	-
Increase budget to align more closely with actual costs for parts and equipment purchases, including helicopter and beach equipment, body shop repair equipment, and general stockroom alignments.	523,606	-
Upgrade two Equipment Mechanic Positions to Maintenance Planners and add an Administrative Aide support fleet maintenance functions; offset by reductions in general materials budget.	-	-
One-time funding to upgrade security camera system for Fleet and Towing facilities, and ESB Yard.	110,000	-

GENERAL SERVICES FUND	Impact	Positions
Reallocate the funding for staff assigned to the implementation of LB COAST to the LB COAST project budget in the General Services Fund, including half of the Financial Controls Bureau Manager, a Business Systems Specialist IV, and the additional of a new Business Systems Specialist VI and a Business Process Improvement Officer.	(15,979)	3.00

TIDELANDS OPERATIONS FUND	Impact	Positions
Increase budget for staff resources to maintain the level of services and oversight of the executive office and to provide policy and management support.	64,272	-

TOWING FUND	Impact	Positions
Increase revenue budget to reflect new fees and increases in current fee rates in the Towing division.	(386,471)	-
Increase budget for facility safety and security upgrade in the Towing Operations, including camera system and fencing upgrades.	253,846	-
Increase budget to adequately fund third-party tow operators.	173,873	-
Increase budget to align more closely with actual costs for Towing operations, including costs for utilities, land lease payments, and supplies and equipment.	174,638	-
Increase budget to fund non-operational repairs to maintain the towing operations facility.	25,000	-

*For ease of review, reallocations of resources within departments, offsets, adjustments, and minor changes have not been included. As figures reflect the net impact to a fund, an increase in expense is shown as a positive number (cost/hit to fund) and a decrease in expense is shown as a negative number (savings/benefit to fund). Accordingly, a decrease in revenue is shown as a positive number (cost/hit to fund), and an increase in revenue is shown as a negative number (savings/benefit to fund).

Administration

Key Services:

1. CFO Functions and Administrative Services

- CFO functions including financial planning, financial strategies and solutions
- Compensation/benefit management
- Disability/leave coordination
- Performance and conduct management
- Workplace investigations
- Development of job descriptions
- Position control and reporting
- Recruitment and selection support
- Worker's Compensation management
- Safety compliance and inspections
- Quality control oversight of department documents and Council letters
- Response and coordination of Public Records Act and subpoena requests
- Interdepartmental communications Measure A administration, reporting and communication
- Department budget development and management
 - Resource analysis
 - Budget proposal development
 - Monitoring of actual expense/revenue

FY 19 Funding Source: General Fund 100%

Administration	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	612	-	-
Expenditures	305,880	(0)	0
FTEs	6.50	6.50	6.50

*Amounts exclude all-years carryover.

Narrative:

The Administration Bureau provides support and coordination for the other seven Bureaus within Financial Management. This includes department budget development and management and department personnel matters. It plays a key role in departmental strategic planning, research efforts and in exploring new methods for maximizing efficiencies and reducing ongoing costs. The budget for this operation is charged to the other Bureaus in Financial Management.

As part of the adopted budget it is intended that the enhancement for staff resources for the Executive Office will be used to fund a new position yet to be determined. Once the position is determined it will be included in the Adopted budget as one FTE.

Accounting Bureau

Key Services:

1. Accounting and Financial Reporting

- Review financial records/transactions
- Annual audits management, response and reporting
- Procedural/system control enhancement
- CAFR report preparation and other State and on-demand regulatory reports
- GASB and other authoritative standard interpretation and implementation
- General Citywide training and department audit consulting
- FM accounting staff development
- Grants and CIP accounting and billings
- Oil and Oil Production
- Indirect Cost Plan
- Tidelands and Successor Agency

- Single and Program Audits

- Emergency management accounting

2. Payroll Management

- Payroll processing
- Implementation of regulatory changes
- System updates and maintenance
- CalPers/Federal/State reporting
- Benefits rate monitoring/development
- Employee withholding processing

3. Accounts Payable

- 1099 generation and reporting
- Payment processing review
- Sales and use tax reporting
- Document management
- W9 verification and tracking

FY 19 Funding Sources: General Fund 53%, Employee Benefits Fund 29%, Tidelands Operations Fund 7%, Insurance Fund 4%, Community Development Grants Fund 2%, Rainbow Harbor Area Fund 2%, Marina 2%, Housing Development Fund 1%, Successor Agency Fund <1%, Housing Authority < 1%, Health Fund < 1%

Accounting	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	2,100	2,100	-
Expenditures	4,555,157	4,577,757	4,666,326
FTEs	29.49	29.49	30.49

*Amounts exclude all-years carryover.

Narrative:

The City Controller's Office/Accounting Bureau continues to provide services to the City's 23 distinct departments and their subsidiaries across 38 funds. (The funds listed in the City's Comprehensive Annual Financial Report (CAFR) vary from the Budget Book based on different categorizations.) The Bureau's main focus is to (a) ensure compliance with statutes, regulations, Generally Accepted Accounting Principles (GAAP), Governmental Accounting Standards Board (GASB) pronouncements and governmental auditing standards and (b) provide guidance and support to departments citywide. The ongoing receipt of the GFOA Certificate for Excellence in Financial Reporting is an indication of the quality of the reports produced. Preparation, participation and execution of a successful LB COAST implementation will be the primary focus for FY 19.

Budget Management Bureau

Key Services:

1. Current Year Budget Management

- Budget adjustments
- Quarterly performance reports
- Debt allocation
- Preparation of year-end estimates
- Department monitoring

2. Budget Development

- Base budget preparation
- Review of department proposals
- Publication of community and budget books
- Forecasting of revenues
- Target and guidelines development
- Management of budget timeline/process
- Budget meetings

3. Departmental Budget Assistance

- Review of personnel requisitions
- Training and assistance for department budget staff
- Council letter review

4. Long Range Financial Forecasting and Planning

- Long-term forecasting
- Economic analysis
- Financial plan development
- Fiscal capacity analysis
- Financial policy monitoring

5. Special Analyses

- Exec management projects and reports
- Council requests
- Public records requests
- Labor negotiation analysis

6. Revenue Maintenance and Maximization

- Contract administration
- Sales/Transactions & Use tax monitoring
- Rebates processing
- Shared revenue agreement administration
- Fee updates and management

FY 19 Funding Sources: General Fund 70%, Employee Benefits Fund 24%, Tidelands Operations Fund 6%

Budget Management	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	-	-	-
Expenditures	2,688,783	2,811,355	2,762,445
FTEs	13.00	13.00	13.00

*Amounts exclude all-years carryover.

Narrative:

The Budget Office is responsible for developing the City's key annual policy document – the City Manager's Proposed Budget, and for monitoring the Adopted Budget. The Budget Office also provides long-term financial projections and recommendations for achieving long-term fiscal health and strength. As part of the Bureau's responsibility for Citywide budget development and monitoring, it provides a full menu of services citywide, including: developing the process for and then building a proposed budget in conformance with the direction of the City Manager; providing relevant, accurate and timely budgetary information; supporting the City Manager, City Council, the Budget Oversight Committee, the Citizens' Advisory Committee; providing community outreach on the City's budget; providing oversight of departmental budgetary actions and support and analysis of departmental financial and operational priorities.

The focus in FY 19 will be to continue to manage the reporting and tracking of the new Measure A tax revenue and provide support to the Citizens' Advisory Committee and to develop the budget module for the LB COAST project. The Bureau will also continue to: actively explore and develop opportunities to increase revenue for the City, including cost recovery through fees and sales tax and other revenue-sharing agreements with the private sector; emphasize streamlining and simplifying budgetary policies and procedures; and enhance the City's long-range financial forecasting capabilities to better assess financial risks and opportunities.

Commercial Services Bureau

Key Services:

1. Billing and Collection Services

- Centralized bill generation and dispute resolution
- Payment and refund processing
- Collect and research billing information
- Collection of unpaid City accounts
- Issue and monitor payment plans
- In-person customer service
- Parking services
- Receive/process citations from field staff
- Research necessary billing information
- In-person customer service
- Disputed citation review and resolution
- Payment and refund processing
- Collection of unpaid parking citations
- Remit revenues to issuing agencies
- Preferential Parking administration

- Provide parking services for other agencies
- Utility customer service
- In-person customer service
- Bill dispute resolution
- Payment and refund processing
- Collection of unpaid City accounts

2. Central Cashiering

- In-person customer service
- Process mail and perform research
- Accept and verify deposits from City departments
- Secure money
- Reconcile with City financial systems
- Administer/monitor credit card processor and remote pay station contracts

FY 19 Funding Sources: General Fund 59%, Gas Fund 41%

Commercial Services	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	7,395,983	6,781,034	7,629,971
Expenditures	6,278,140	6,284,137	7,361,035
FTEs	41.52	42.79	41.79

*Amounts exclude all-years carryover.

Narrative:

The Commercial Services Bureau provides a range of customer and financial services to the City and its residents, including billing, collections, payment processing, and customer services. The Bureau provides collection activities for ambulance services, permits, business licensing, marina slip fees, utility services, and various other City services. Additionally, the Bureau currently works with the State to recover funds from income tax returns on delinquent accounts for utility bills, ambulance services charges, business license fees, parking citation fees, etc.

The focus in FY 19 will be on improving the organizational structure and oversight in addition to increased leadership as the City migrates to new revenue systems. In addition, the Bureau will expand Customer Service Representative trainings, identify redundancies between work groups, and establish goals and priorities across work groups. The Bureau will focus on strategic planning for a more efficient operation and better customer service to the public and City Department customers.

City Treasurer Bureau

Key Services:

1. Cash and Investment Management

- Liquidity management and assurance
- Invest City pooled funds and segregated bond proceeds
- Credit card payment receipt
- Manage investment advisor relationship
- Manage Investment Advisory Committee
- Process UUT & franchise revenue receipts from utilities
- Manage UUT waiver requests and Senior/Disabled Refund Program
- Administer 457 and PARS plans

2. Debt Management

- Manage the issuance of debt obligations
- Manage legal debt compliance
- Manage debt service payments
- Manage bond draws
- Manage debt related matters pertaining to assessment/community facility districts
- Manage conduit debt and reporting
- Finance rating agency/investor relations
- Manage continuing disclosure reporting
- Oversee capital lease program

FY 19 Funding Source: General Fund 100%

City Treasurer	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	2,341,044	2,366,745	2,403,846
Expenditures	1,433,642	2,314,229	2,378,111
FTEs	8.00	8.00	8.00

*Amounts exclude all-years carryover.

Narrative:

The Treasury Bureau manages an estimated \$1.6 billion investment portfolio while also managing outstanding City debt obligations totaling more than \$2.1 billion as of FY 17 year end.

The Bureau is responsible for managing the City's investments, cash, and debt, as well as ensuring compliance with internal and external policies and regulations. Additional duties include providing solutions to ensure safety and liquidity in support of the City and enterprise fund cash requirements, assistance in financing instruments for City and enterprise fund infrastructure, and capital and leasing programs. The Bureau also provides administrative services to two deferred compensation programs, a utility district, and eight community facility districts.

The City's investment portfolio is rated "AAf" by Standard & Poor's. As an issuer of debt, the City of Long Beach received affirmation of "Aa2" and "AA" from Moody's and Fitch Ratings, respectively.

Business Services Bureau

Key Services:

1. Procurement Services

- Procurement method determination and compliance
- Bid/RFP package development and posting
- Solicitation of bid/RFP responses through award
- Contract/purchase order creation
- Purchasing card administration
- Online bidding system management
- Citywide training on procurement processes and contract compliance

2. Labor Compliance

- Minimum wage education and outreach
- Prevailing wage determination and verification
- HUD Section 3
- Disadvantage Business Enterprise (DBE)
- Small Business Enterprise (SBE)
- Equal Benefits Ordinance (EBO)

- Project Labor Agreement (PLA) administration

3. Business Licensing and Tax Collection

- Administration and issuance of business licenses and related permits, including entertainment permits
- Field inspections and enforcement
- Revocations and application denials
- Business license tax collection
- Administration of Transient Occupancy Tax (TOT) and Business Improvement District (BID) payments

4. Cannabis Licensing and Enforcement

- Administration and issuance of business licenses for cannabis businesses
- Field inspections and enforcement
- Revocations and application denial

FY 19 Funding Source: General Fund 100%

Business Services	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	13,036,124	13,138,853	13,138,853
Expenditures	2,844,640	4,945,561	4,194,315
FTEs	22.00	27.00	28.00

*Amounts exclude all-years carryover.

Narrative:

The Business Services Bureau provides purchasing tools, guidance and assistance to Departments in addition to conducting competitive procurements that meet high value or citywide departmental purchasing needs. Example procurements conducted in FY 18 include citywide irrigation supplies, citywide delivery of steel and related materials, electric vehicle charging stations, aerial ladder fire trucks, on-site shredding services, and computer equipment, software and related products. The Bureau oversees PlanetBids, an online bid management system that is available via the City's website. The system provides online registration for prospective bidders and informs them of upcoming opportunities using a recently upgraded commodity code system to maximize participation in the City's procurement process and obtain the most competitive pricing of goods and best value for services. Staff conducts significant outreach efforts to recruit and include local and small businesses in our procurements. The number of local registered vendors has increased from 1,965 in June 2016, to 2,091 in June 2017, to 2,202 in June 2018.

The Bureau supports citywide compliance with federal and state regulations including prevailing wage, Section 3, and Disadvantaged Business Enterprise (DBE) as well as a number of locally adopted

Business Services Bureau

regulations including our Small Business Enterprise (SBE) ordinance, the Project Labor Agreement (PLA), and the Equal Benefits Ordinance (EBO). The Bureau administers business licenses, including administration and enforcement of cannabis business licenses. Also administered within the bureau are alarm, special event, yard sale, carnival, and entertainment permits. Ongoing improvements to the Business License software system supports business licensing and collection of business license taxes and penalties. The Bureau also manages Transient Occupancy Tax (TOT) collection, bi-monthly payments to the Business Improvement Districts (BIDs), and monthly payments to the Convention and Visitor's Bureau (CVB).

The Bureau has several areas of continued focus for FY 19. Significant resources continue to be dedicated to redevelopment of regulations and procedures for medical and adult use cannabis businesses, along with related licensing and enforcement activities. The Division is also in the process of updating City purchasing procedures and implementing purchasing and contracts functionality in the upcoming financial/human resources system as part of the LBCOAST project. These efforts will continue into FY 19.

The FY 19 Budget adds an Administrative Analyst to support compliance with state and federal labor laws on construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds.

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Fleet Services Bureau

Key Services:

1. Fleet Operations and Acquisitions

- Replacement fund management
- Selection of replacement vehicles
- Vehicle outfitting, assignments and disposal
- Fleet sustainability strategy and procurement coordination
- Administration, budget and contract management
- Fleet performance analysis
- Supplies and equipment management
- Fleet maintenance and repair
- Preventive and scheduled maintenance
- Auto body Repair

- Fuel and fuel storage management
- Underground storage facility monitoring and site remediation
- Fuel purchase, control, dispensing, and system management
- Regulatory compliance and reporting

2. Towing and Lien Sales

- Dispatch of tow / maintenance service
- Vehicle towing and roadside service
- Vehicle and property auctions
- Counter, phone and payment services
- Lot service – customer escort, jump starts, Police assistance

FY 19 Funding Sources: Fleet Fund 91%, Towing Fund 8%, Transportation Fund <1%

Fleet Services	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	40,143,542	47,492,813	51,760,911
Expenditures	49,915,305	67,071,405	67,984,112
FTEs	117.80	120.50	120.50

*Amounts exclude all-years carryover.

Narrative:

With the completion of the RFID-based fueling system replacement at 11 fuel sites City-wide, FY 19 will bring a focus to generating operational savings, safety improvements, and reductions in fuel use and fleet emissions. The new system improves accuracy, strengthens control over fuel, and reduces labor costs. All vehicles in the fleet are now equipped with telematics devices that wirelessly provide fuel, maintenance, location, safety, and efficiency data.

Accelerated underground remediation efforts will continue at three former fuel sites, resulting in a cleaner environment and the elimination of long-term monitoring costs to the City.

The Bureau will continue its aggressive effort to recapitalize the fleet by working with customer departments to specify new and sustainable vehicle technologies. The use of alternative fuels such as compressed natural gas, renewables, and electric vehicles will be further deployed through the fleet to minimize the environmental footprint of City services.

The Bureau's budget reflects an update of budgeted classifications to increase Service Writer efficiencies in the Maintenance Division. Camera and perimeter fencing upgrades will be scheduled to increase the security of the facility, fleet, and towing assets. Implemented nominal budget increases for Fleet facility maintenance and operating costs, and City-owned fuel storage tank remediation and environmental consulting services. Implemented Towing fee increases to achieve full operating cost recovery.

Financial Controls Bureau

Key Services:

1. Controls Operations and Technical Services

- Review and evaluate process and control weaknesses
- Facilitate development and implementation of solutions
- Reports, presentations on findings/recommendations
- Apply technology solutions to improve business processes
- Assess training needs
- Develop materials and training implementation plan
- Track audit findings and recommendations
- Support department implementation
- Facilitate department meetings
- Financial Systems Management (current)
 - LB COAST implementation
 - New system evaluation, integration and project consultation
 - Change management assistance
 - Management of financial systems and interfaces with ancillary systems
 - System security, validation, trouble shooting, training and help desk
 - Technology integration and ancillary systems data reporting enhancements

FY 19 Funding Sources: General Fund 34%, General Services Fund 66%

Financial Controls	Actuals FY 17	Adjusted* FY 18	Proposed* FY 19
Revenues	595,917	878,994	878,994
Expenditures	1,042,780	1,472,266	1,287,522
FTEs	8.01	8.01	10.01

*Amounts exclude all-years carryover.

Narrative:

The Financial Controls Bureau supports the development and maintenance of a culture throughout the City that places greater emphasis on financial management and controls. The Bureau's focus areas include implementation of LB COAST and the processes and controls for the new system, policy and process improvements to mitigate the City's financial risk as a result of a major disaster, improved grant management, operational controls advisement, and tracking the implementation of management responses to internal and external audit findings. The Bureau takes a proactive role in addressing control issues that can otherwise result in higher than normal rates of errors, fraud, financial, or operational problems.

The FY 19 budget includes the additional support for the LB COAST project: a Special Projects Officer to update, implement and monitor a change management plan for the project, and a Business Systems Specialist to provide business process support, implementation of best practices, coordinate training and ensure effective use of controls for the City's financial systems and their reporting capabilities. These positions are funded through the project budget.

Financial Summary by Category

Citywide activities are managed by the Financial Management Department. This summary includes the following activities: "XC" Citywide contains certain citywide revenues, transfers and expenditures that are not linked to a specific operating department. Citywide receipt of property taxes and citywide payments for Pension Obligation Bonds are examples. "XI" contains interfund transfers for the indirect cost allocation plan that provides additional revenue to the General Fund for citywide overhead charged to non-General Fund sources. "XJ" Joint Powers Authority contains expenditures for City-involved joint power activities.

The second Financial Summary by Category page strictly includes the Financial Management Department's operating budget.

	Actual FY 17	Adopted* FY 18	Adjusted* FY 18	Proposed* FY 19
Revenues:				
Property Taxes	155,203,748	160,338,946	160,338,946	169,942,155
Other Taxes	156,879,260	174,611,616	174,611,616	182,127,163
Franchise Fees	20,783,215	21,020,956	21,020,956	20,772,551
Licenses and Permits	-	5,214,000	5,214,000	5,021,007
Fines and Forfeitures	-	-	-	-
Use of Money & Property	16,866,025	20,988,033	20,988,033	20,910,236
Revenue from Other Agencies	27,286,404	29,902,793	29,902,793	29,221,690
Charges for Services	18,758,996	42,968,391	42,968,391	42,968,391
Other Revenues	5,260,445	1,627,922	1,627,922	1,087,122
Interfund Services - Charges	279,285,590	335,716,436	335,716,436	366,575,814
Intrafund Services - General Fund Charges	1,142,245	1,257,945	1,257,945	1,457,945
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	10,190,000	-
Operating Transfers	91,206,135	71,323,692	72,106,750	67,754,096
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Total Revenues	772,672,062	864,970,728	875,943,786	907,838,170
Expenditures:				
Salaries, Wages and Benefits	254,818,500	269,612,978	271,928,170	303,633,633
Overtime	173,738	-	-	-
Materials, Supplies and Services	10,512,402	38,803,025	50,190,120	37,556,466
Internal Support	8,563,908	8,500,709	8,500,709	11,463,346
Capital Purchases	-	-	-	-
Debt Service	84,489,253	85,274,716	97,695,294	86,990,853
Transfers to Other Funds	72,053,503	49,245,835	53,247,808	44,997,839
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Total Expenditures	430,611,303	451,437,264	481,562,101	484,642,137
Personnel (Full-time Equivalents)	0.00	0.00	0.00	0.00

* Amounts exclude all-years carryover.

Financial Summary by Category

	Actual	Adopted*	Adjusted*	Proposed*
	FY 17	FY 18	FY 18	FY 19
Revenues:				
Property Taxes	-	-	-	-
Other Taxes	12,501,416	12,774,853	12,774,853	12,774,853
Franchise Fees	-	-	-	-
Licenses and Permits	519,644	342,000	342,000	342,000
Fines and Forfeitures	705,425	-	-	350,000
Use of Money & Property	1,436,787	1,497,679	1,497,679	1,549,517
Revenue from Other Agencies	575,584	653,500	653,500	653,500
Charges for Services	8,879,170	9,133,144	9,133,144	9,804,126
Other Revenues	3,902,526	3,724,837	3,724,837	3,529,937
Interfund Services - Charges	35,944,863	40,537,169	40,537,169	45,297,774
Intrafund Services - General Fund Charges	1,985,256	1,997,356	1,997,356	1,743,865
Harbor & Water P/R Rev Trsfs	-	-	-	-
Other Financing Sources	-	-	-	-
Operating Transfers	(2,936,594)	-	-	167,004
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Total Revenues	63,514,075	70,660,539	70,660,539	76,212,576
Expenditures:				
Salaries, Wages and Benefits	24,924,825	28,517,718	28,533,311	28,592,674
Overtime	1,263,656	498,547	498,047	663,934
Materials, Supplies and Services	17,583,892	16,787,149	19,218,334	20,087,133
Internal Support	4,381,178	4,475,571	4,475,571	4,855,773
Capital Purchases	17,769,482	33,137,202	33,597,643	33,137,202
Debt Service	920,572	1,706,268	1,706,268	2,297,151
Transfers to Other Funds	2,220,723	1,447,534	1,447,534	1,000,000
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Total Expenditures	69,064,328	86,569,989	89,476,709	90,633,866
Personnel (Full-time Equivalents)	246.32	255.29	255.29	258.29

* Amounts exclude all-years carryover.

Personnel Summary

Classification	FY 17 Adopt FTE	FY 18 Adopt FTE	FY 19 Prop FTE	FY 18 Adopted Budget	FY 19 Proposed Budget
Director of Financial Management	1.00	1.00	1.00	221,044	225,465
Accountant III	9.00	9.00	9.00	768,385	760,832
Accounting Clerk II	1.00	-	-	-	-
Accounting Clerk III	2.00	3.00	3.00	149,217	155,146
Accounting Operations Officer	1.00	1.00	1.00	113,994	116,276
Accounting Technician	9.00	9.00	9.00	479,812	502,303
Administrative Aide I	-	-	1.00	-	46,555
Administrative Analyst II	3.00	3.00	3.00	246,832	223,959
Administrative Analyst III	4.00	5.00	6.00	449,763	538,036
Administrative Analyst IV	1.00	-	-	-	-
Administrative Intern - NC	0.50	0.50	0.50	21,717	22,153
Administrative Officer	1.00	1.00	1.00	118,654	121,026
Assistant Administrative Analyst I	2.00	2.00	2.00	108,131	110,133
Assistant Administrative Analyst II	3.00	4.00	4.00	252,937	274,461
Assistant City Controller	2.00	2.00	2.00	261,417	266,643
Assistant Director of Financial Management	1.00	1.00	1.00	182,508	186,158
Budget Analysis Officer	1.00	1.00	1.00	118,187	120,551
Budget Management Officer	2.00	2.00	2.00	243,117	253,872
Business Services Officer	1.00	1.00	1.00	93,980	102,569
Business Systems Specialist III	1.00	1.00	1.00	72,793	80,233
Business Systems Specialist IV	1.00	1.00	1.00	81,227	82,852
Business Systems Specialist VI - Confidential	-	-	1.00	-	124,342
Buyer I	3.00	3.00	3.00	195,384	216,405
Buyer II	4.00	3.00	3.00	256,112	252,875
City Controller	1.00	1.00	1.00	153,701	150,687
City Treasurer	1.00	1.00	1.00	162,444	165,693
Clerk Typist III	6.00	6.00	6.00	295,808	306,347
Controls Operations Officer	1.00	1.00	1.00	136,246	119,695
Cust Service Representative II	10.76	12.76	11.76	572,092	519,381
Cust Service Representative III	27.00	28.00	28.00	1,442,132	1,474,430
Cust Service Representative II-NC	1.76	1.03	1.03	47,168	45,867
Customer Services Officer	-	1.00	1.00	84,423	86,111
Customer Services Supervisor I	3.00	2.00	2.00	129,538	121,633
Customer Services Supervisor II	2.00	2.00	2.00	128,469	142,543
Equipment Mechanic I	17.00	17.00	16.00	1,034,706	1,031,190
Equipment Mechanic II	21.00	21.00	20.00	1,350,909	1,344,986
Financial Controls Analyst	1.00	1.00	1.00	94,613	96,505
Financial Management Analyst I	1.00	1.00	1.00	77,286	96,505
Financial Management Analyst II	6.00	7.00	7.00	681,742	694,652
Financial Services Officer	1.00	1.00	1.00	108,351	110,520
Fleet Finance Officer	1.00	1.00	1.00	128,206	130,769
Fleet Maintenance Supervisor	1.00	1.00	1.00	105,125	107,227
Fleet Services Supervisor I	6.00	7.00	7.00	522,025	550,368
Fleet Services Supervisor II	3.00	3.00	3.00	274,353	288,387
Garage Services Attendent I	15.00	15.00	14.00	610,652	602,879
Garage Services Attendent II	13.00	14.00	14.00	642,274	659,001
Garage Services Attendent II - Towing	1.00	1.00	1.00	52,248	54,359
Garage Services Attendent III	4.00	5.00	5.00	278,883	292,125
Helicopter Mechanic	1.00	1.00	1.00	86,069	89,303
Labor Compliance Officer	1.00	1.00	1.00	98,257	100,222

Personnel Summary

Classification	FY 17 Adopt FTE	FY 18 Adopt FTE	FY 19 Prop FTE	FY 18 Adopted Budget	FY 19 Proposed Budget
Page 1 total	200.02	206.29	205.29	13,732,930	14,164,230
License Inspector I	3.00	4.00	4.00	229,442	223,074
License Inspector II	1.00	3.00	3.00	166,527	181,549
Maintenance Assistant II	4.00	5.00	5.00	189,682	199,697
Maintenance Assistant III	1.00	1.00	1.00	46,157	48,022
Maintenance Planner I	-	-	2.00	-	136,307
Manager of Business Relations	1.00	1.00	1.00	136,246	150,753
Manager of Commercial Services	1.00	1.00	1.00	148,580	151,552
Manager of Financial Controls	1.00	1.00	1.00	149,108	152,090
Manager of Fleet Services	1.00	1.00	1.00	148,298	151,264
Mechanical Equipment Stock Clerk I	1.00	1.00	1.00	45,025	43,992
Mechanical Equipment Stock Clerk II	4.00	4.00	4.00	204,210	206,554
Payroll Specialist I	2.00	2.00	2.00	123,203	125,667
Payroll Specialist II	1.00	1.00	1.00	68,140	69,503
Payroll Officer	-	-	1.00	-	109,844
Payroll/Personnel Assistant III	1.00	1.00	1.00	55,686	56,800
Purchasing Agent	1.00	1.00	1.00	124,897	127,395
Revenue Management Officer	1.00	1.00	1.00	119,598	122,042
Secretary	4.00	4.00	4.00	206,426	208,383
Secretary-Conf	1.00	1.00	1.00	44,199	51,719
Senior Accountant	4.00	4.00	4.00	378,450	358,748
Senior Accountant-Conf	1.00	1.00	1.00	94,613	96,505
Senior Buyer	-	1.00	1.00	79,235	80,819
Special Projects Officer	3.00	3.00	4.00	296,079	410,758
Special Services Officer II	1.00	-	-	-	-
Special Services Officer I-NC	1.30	-	-	-	-
Superintendent - Fleet Acquisition	1.00	1.00	1.00	110,540	112,752
Superintendent - Towing & Lien Sales	1.00	1.00	1.00	97,798	99,796
Supervisor - Stores & Property	1.00	1.00	1.00	54,369	55,457
Technical Services Officer	1.00	1.00	1.00	124,900	130,103
Treasury Operations Officer	2.00	2.00	2.00	290,496	293,460
Welder	1.00	1.00	1.00	63,809	66,387
Subtotal Salaries	246	255	258	17,528,643	18,385,222
Overtime	-	-	-	498,547	663,934
Fringe Benefits	-	-	-	10,490,795	11,022,577
Administrative Overhead	-	-	-	361,336	368,169
Attrition/Salary Savings	-	-	-	-	(380,705)
Expenditure Transfer	-	-	-	136,944	(802,588)
Total	246.32	255.29	258.29	29,016,265	29,256,608

